

January 18, 2007

Daron R. Haddock
Environmental Manager
Mineral Regulatory Program
State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Subject: Request for Original and Completed Reclamation Contracts and Completion of

Letter of Credit, Thirstystone Resources, Inc., Picture springs 1 & 2 and Black
Ridge 1, S/053/028 and s/053/027, Washington County, Utah

Dear Mr. Haddock:

Please find the signed and notarized reclamation contracts for the Black Ridge and Picture Springs mines enclosed. I am aware that Beth Ericksen is currently working with Kathleen Speirs at PNC bank regarding the amendment to our Letter of Credit. I have instructed Kathleen to name the Division as co-beneficiary and I expect this to be competed soon. I am prepared to approve the amended LOC as soon as PNC bank completes the changes and then forward to your office as required.

I understand that you will notify us of your approval of the reclamation surety as soon as these two steps are complete. Please contact me if you require additional information.

Sincerely,

Pete Raymond

Vice President Manufacturing

Thirstystone Resources

Enclosures (2)

RECEIVED

JAN 2 2 2007

800-829-6888 520-623-1396

DIV. OF OIL, GAS & MINING

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